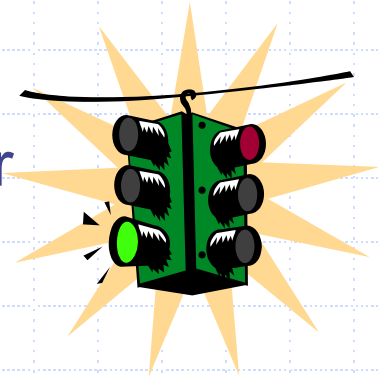


LLNL CFO BUSINESS CONTINUITY

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FMSIC

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What, Why, Who?

◆ What?

- A Plan to ensure CFO business continuity in the event of a disaster
- A Document to include system identification and prioritization, procedures, roles, responsibilities, and on-site and off-site agreements

◆ Why?

- Increased security and disaster awareness; September 11; Homeland Security
- Potential for negative audit finding
- A formal Business Continuity Plan is good business practice

◆ Who?

- CFO Staff
- CFO IT Staff
- IT Infrastructure Staff
- Total Costs to Date = \$34K

Overview



- ◆ CFO Management determined need for Business Continuity Plan
 - When CFO asked for test of previous “Back-up Plan,” it proved to be insufficient
 - Added to financial systems priority list
 - Rated as the highest priority of FY03 CFO projects
- ◆ Project progress received high level of management attention and support
 - Quarterly Project Reviews to CFO Project Steering Committee
 - Periodic status reports to CFO
 - UCOP interested in status and development of agreement between LLNL and UC Davis

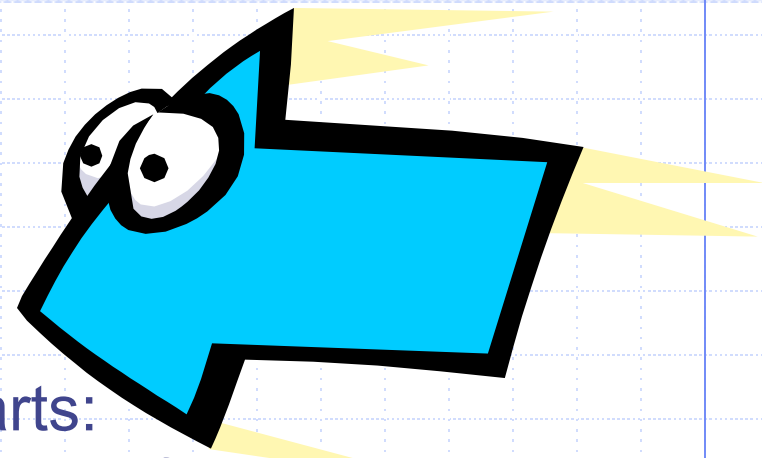
Defining the Project

→ High Level Requirements

- Identify and prioritize systems/functions
- Identify interdependencies
- Examine and plan for various potential disaster scenarios and critical time periods
- Evaluate agreements with others
- Document Plans
- Test Plans fully
- Revise Plans as necessary



Getting Started



- We experienced some false starts:
 - There was a tendency to start with identifying actual disasters
 - Loss of Power
 - Earthquake
 - Flood
 - Hacker Intrusion
 - Terrorist Attack
 - The next logical step was to identify the type of resulting loss
 - Loss of Information
 - Loss of Access and/or Equipment
 - Loss of Personnel
 - There was a mindset that a working Plan can be completed in a relatively short amount of time



Getting Re-Started

- o What we determined:
 - o The actual disaster or scenario was not significant
 - o The resulting conditions are significant
 - o Is it a critical time period, e.g., a pay week?
 - o Is the Laboratory operational?
 - o Is the Computer Data Center operational?
 - o Is the necessary equipment operational?
 - o Are key staff available?



Getting Re-Started, cont'd.

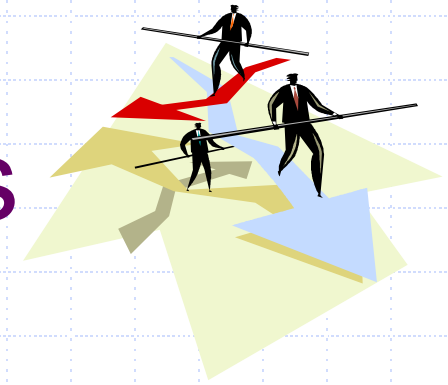
- It was important to identify and prioritize business critical processes/systems
 - What processes/systems were high priority for business continuity:
 - Payroll
 - Accounts Payable
 - General Ledger/MARS
 - The prioritization led to questions of priority of subsystems

What We Concluded



- In conclusion, an effective Plan:
 - minimizes the duration of a serious disruption to business operations
 - facilitates the effective coordination of recovery efforts
 - reduces the complexity of the resumption of normal business activities
 - is never done -- it must be maintained and tested regularly

Challenges and Benefits



- ◆ Challenges of project implementation
 - Conflicting priorities
 - Lack of resources
 - Easily put on “bottom of the pile”

- ◆ Benefits exceeded expectations
 - Developed a very detailed, definitive, and professional product
 - Learned that the Plan is useful during “non-disaster” interruptions to normal business processing
 - Gained a greater understanding of CFO business processes and systems
 - Established mutually beneficial relationships with others, both internal and external to LLNL
 - Expanded staff interaction and development

Things to Address

- Ensure clear assignment of Plan ownership
- Include comprehensive mapping of complex processes
- Examine as many disaster scenarios as possible, but simplify the objectives (e.g., be able to operate without direct access to buildings or website for 7 days)
- Complete the Plans before event occurs
- Assign clear responsibilities to appropriately maintain the Plans



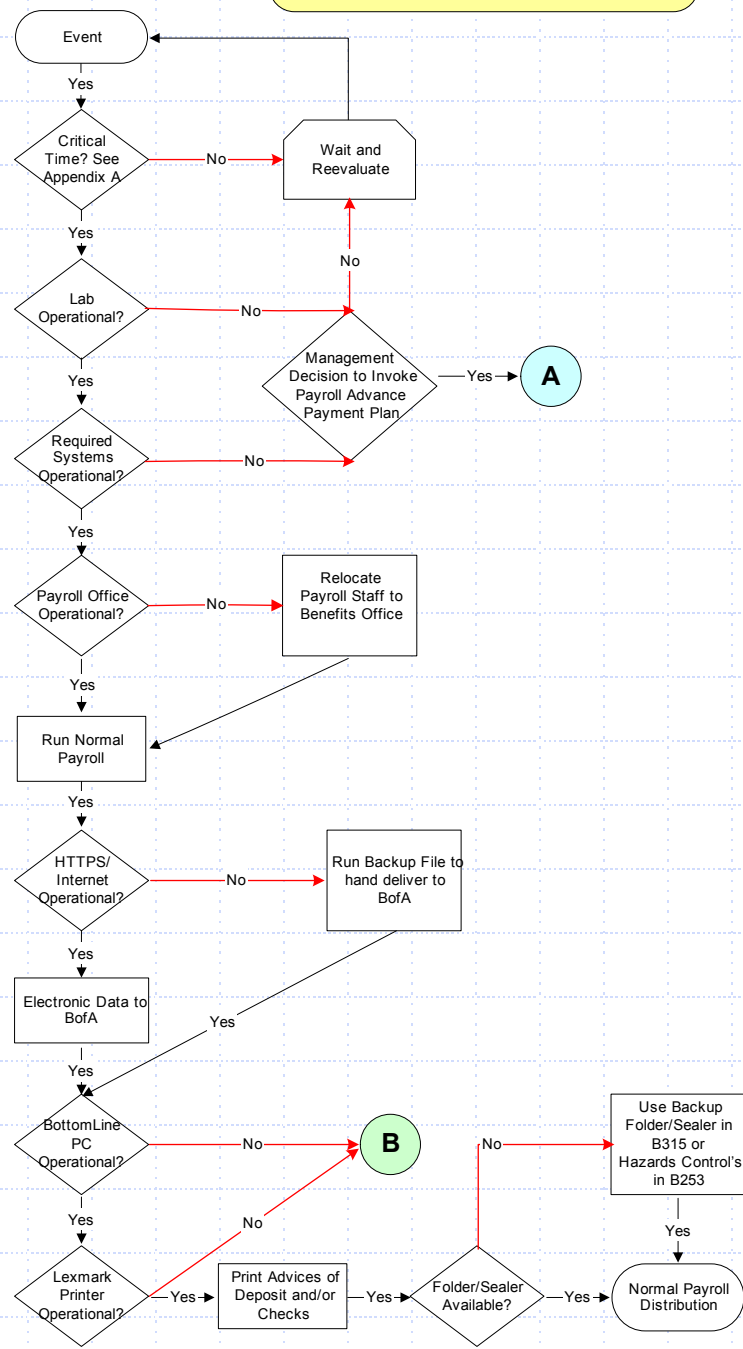


LLNL Business Continuity Plan

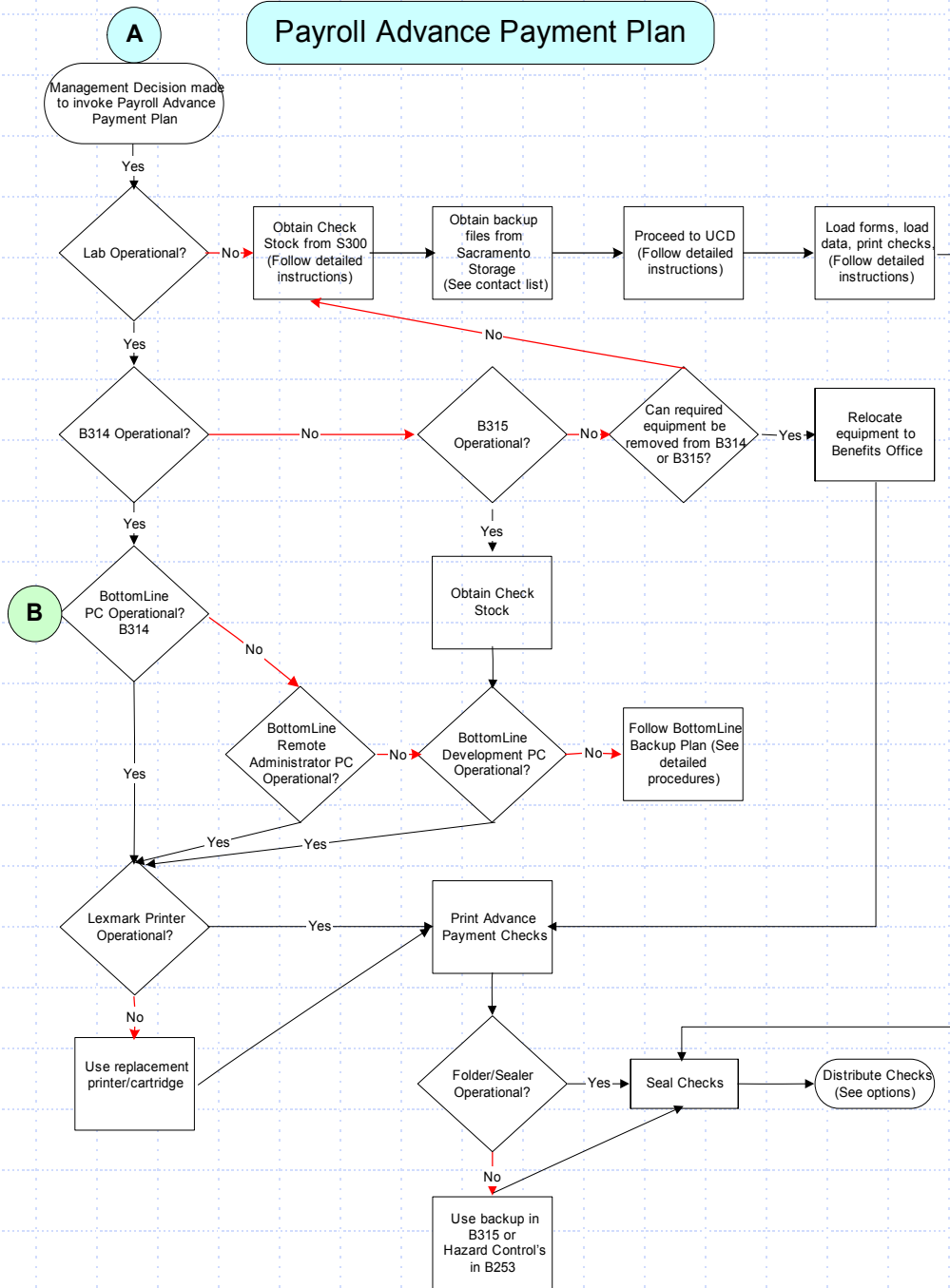
Payroll Department

Scenario/Criteria	Continuity Plan/Hours to Complete
A.Event Occurs Downtime >30 days	
1.As Paydays approach, reevaluate based on below steps.	▪Contact AIS: AIS Computer Center Contingency/Disaster Recovery Plan will be Invoked (Cold Site at LANL).
B. Event Occurs – Non-Critical Time Downtime ≤ 2 Days Prior to Running Payroll or ≤ 5 Days During Non-Pay Week	
1.As Paydays approach, reevaluate based on below steps.	▪Wait And Reevaluate
C. Event Occurs – Critical Time Downtime > 2 Days During Pay Week or > 5 Days During Non-Pay Week	
1.Lab and Required Systems Operational	▪Run And Distribute Normal Payroll
1.Lab and AIS Computer Center Operational And •Payroll Office Not Operational And/Or •BottomLine PC Not Operational And/Or •BottomLine Printer Not Operational And/Or •Folder/Sealer Not Operational	▪Relocate Payroll Staff to Benefits Office/8 ▪Use PC in B315/See also Backup BottomLine Plan/4 ▪Use HP Printer with MICR Cartridge/4 ▪Use Folder/Sealer in B315 or Hazards Control's in B253/4 ▪Run And Distribute Normal Payroll
1.Lab Operational, AIS Computer Center Not Operational And/Or •B314 Not Operational And/Or •BottomLine PC Not Operational And/Or •BottomLine Printer Not Operational And/Or •Folder/Sealer Not Operational	▪Management Decision to Invoke Payroll Advance Plan ▪Use PC in B315/See also Backup BottomLine Plan/4 ▪Use HP Printer with MICR Cartridge/4 ▪Use Folder/Sealer in B315 or Hazards Control's in B253/4 ▪Print Checks/8 ▪Distribute “Advance Payment Checks”
1.Lab Not Operational	▪Management Decision to Invoke Payroll Advance Plan ▪Retrieve Check Stock from S300/4 ▪Retrieve Backup Files from Sacramento Storage Facility/4 ▪Go To UC Davis/2 ▪Print Checks/8 ▪Distribute “Advance Payment Checks”

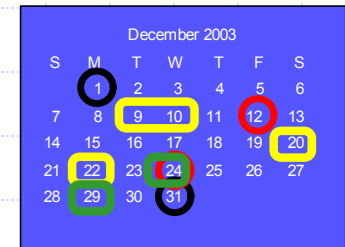
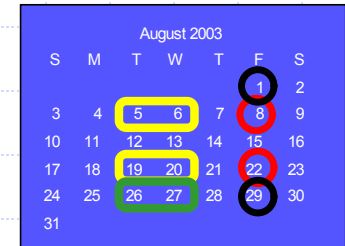
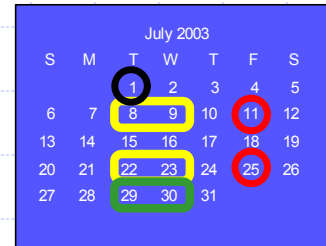
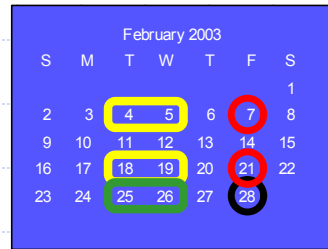
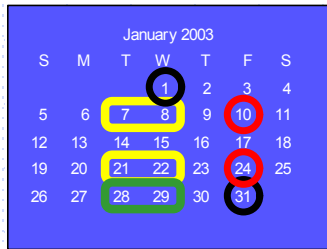
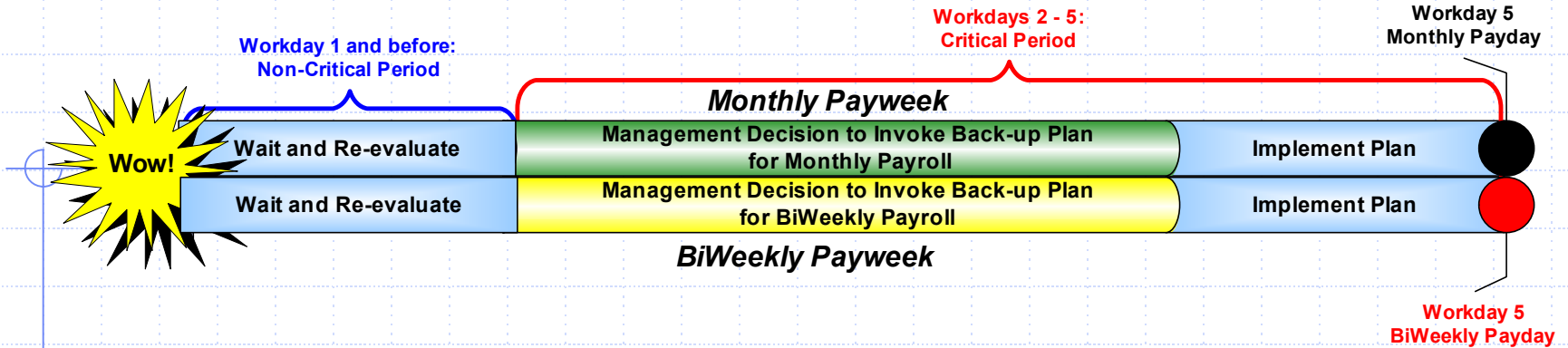
Management Decision



Payroll Advance Payment Plan



CRITICAL TIME PERIODS FOR PAYROLL PROCESSING



Sample of Procedures for Payroll Advance Payment Plan

Step 1 - Disaster occurs and the decision is made to go to UC Davis to print checks

When disaster first occurs, notify Davis that we may need to use their facilities to print our checks. If the problem is not resolved and it is necessary to go to Davis, notify Davis by phone or email to let them know that we are coming.

Step 2 - Required elements for printing checks at UC Davis are:

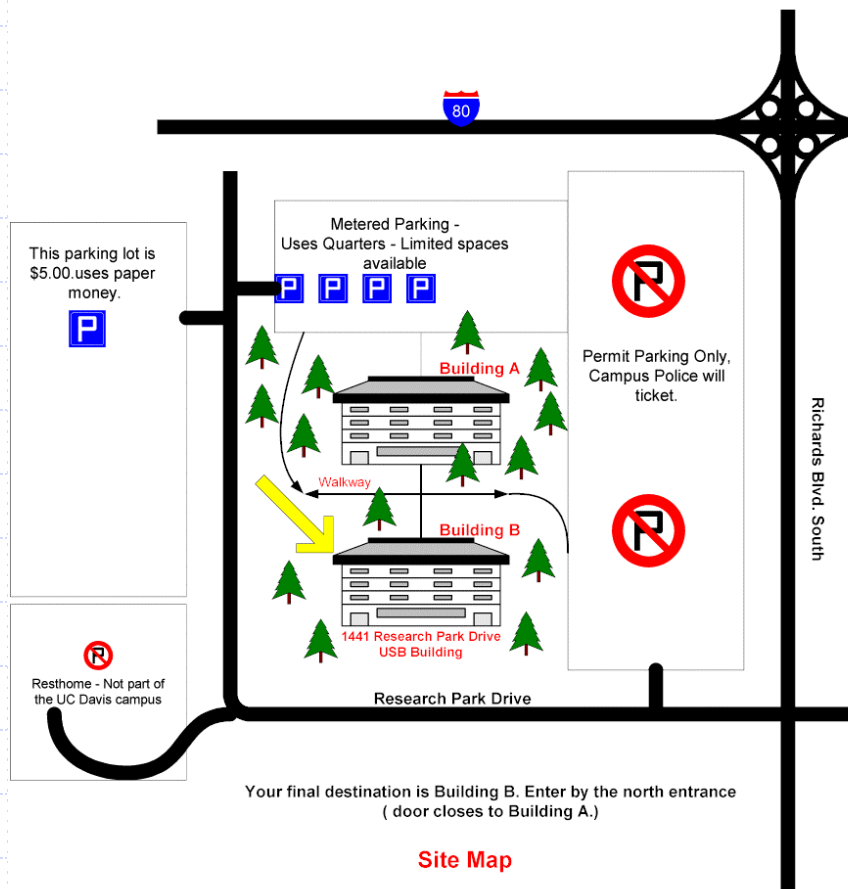
- a. For safety and internal control reasons, ensure two or more people perform these procedures together.
- b. Take one or more of the following diskettes:
Biweekly Payroll
Non-deduction
- c. Retrieve the check stock from site 300.
Take 3 boxes of stock for monthly and 2 boxes for biweekly. The check stock should be rotated every 3 - 6 months.

Step 3 - Driving Directions

To Site 300: See map of Site 300 in Appendix D-3.

To Davis: See map to Davis in Appendix D-4.

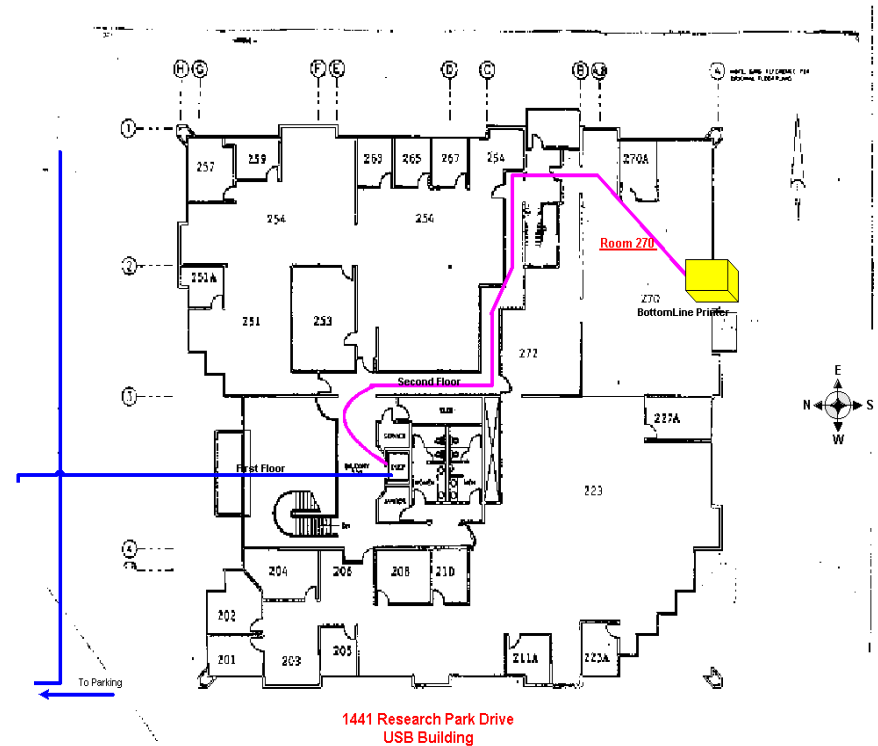




Site Map

Building B is your destination.

UC Davis Maps



Location of BottomLine Printer

High Level Schedule

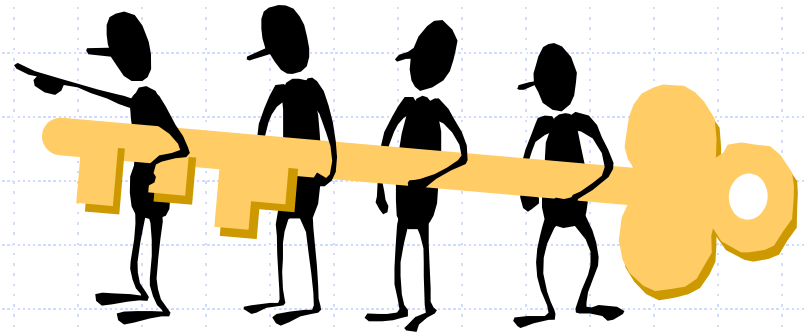


Schedule	✓ Progress
Complete Payroll Business Continuity Plan 2/28/03	<ul style="list-style-type: none"> ✓ Plan is complete ✓ On-site and off-site alternatives documented and partially tested ✓ Reciprocal agreement with UC Davis
Develop Accounts Payable Continuity Plan 3/15/03 - 5/30/03	<ul style="list-style-type: none"> ✓ Accounts Payable has identified critical payments ✓ Software package being evaluated for creating emergency checks to vendors
Develop Business Continuity Plan for each critical system/function Ongoing	<ul style="list-style-type: none"> ✓ General Ledger to begin next
Test and complete documentation of all functional Business Continuity Plans 12/03	<ul style="list-style-type: none"> ✓ To be completed as each Plan is finalized

Lessons Learned

- ❖ Establish high priority by management

- ❖ Include key personnel
 - Functional Managers



- ❖ Provide sufficient funding and schedule

- ❖ Ensure adequate coordination with IT and other organizations

Project Costs



Resource	Planned Costs (\$K) 2/02 to 12/03	Actual Costs To Date (\$K)
CFO Functional Staff	93.3	13.1
CFO IT Staff	80.0	11.1
IT Infrastructure Staff	12.0	0.0
Other Costs*	51.0	9.8
Total Costs	236.3	34.0

*Other Costs include check stock forms, travel, and software

Next Steps



- ◆ Continue Accounts Payable Plan
- ◆ Expand discussions of General Ledger Plan
- ◆ Begin selection of next critical function